



# SAN DIEGO COUNTY HOME CONSORTIUM HOMEBUYER DOWNPAYMENT & CLOSING COST ASSISTANCE (DCCA)/CALHOME PROGRAM

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## PROGRAM OVERVIEW

Effective September 9, 2014

### Buyer:

- ♦ You must occupy the property as your primary place of residence.
- ♦ You must contribute a minimum of **one percent (1%)** of the purchase price from your own funds.
- ♦ You must not have owned a home or been on title of a home within the last three years.
- ♦ You must complete a HUD/CalHome Approved Homebuyer Education class.
- ♦ The total gross annual income of the entire household must not exceed 80% of the San Diego County Area Median Income (AMI).
- ♦ You must receive the **maximum** first mortgage loan for which you qualify. DCCA/CalHome loan cannot exceed 33% of total purchase price.

### Property Guidelines:

- ♦ The property must be located within the DCCA/CalHome jurisdictional boundaries.
- ♦ The property may be a new or resale single-family detached unit, condominium, townhouse or a manufactured home on a permanent foundation.
- ♦ The purchase price and the appraised value of an existing property may not exceed **\$451,250** for a single-family detached residence, **\$312,000** for a re-sale condominium/townhome, and **\$377,000** for a new condominium/townhome, subject to periodic updates.
- ♦ The property must be vacant or occupied by the seller/owner, or the DCCA/CalHome applicant; and must not have been vacated by the previous renters within the last 30 days.
- ♦ The property must be free from any health & safety defects and Lead-based paint hazards. Prior to final loan approval, a Housing Quality Standards (HQS) inspection will be conducted to verify condition of property. Proof of initial building permit issuance must be provided.
- ♦ Occupancy Ratio: No more than 2 people per living space (living space includes bedrooms, living room, family room, den/study).
- ♦ You must obtain flood insurance – if the property is located in a flood plain.

### DCCA/CalHome Loan Amounts and Jurisdictional Areas:

- ♦ Up to \$70,000 or 33% of the purchase price, whichever is smaller, at 3% simple interest in the Unincorporated Areas of the County of San Diego and the cities of: Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach.

### Loan Terms:

- ♦ The maximum DCCA/CalHome loan amount is up to **\$70,000** or 33% of the purchase price, whichever is smaller.
- ♦ No monthly payments are required.
- ♦ The interest is accrued annually at **3% simple interest** per year.
- ♦ Repayment is deferred until the borrower refinances (except a FHA Streamline), sells, pays off the first mortgage, or no longer occupies the property as their primary residence. The loan repayment will be one payment of the original principle loan amount plus any accrued interest.
- ♦ **Prohibited loans and terms:** Negative–Amortization; Stated Income; Adjustable Rate Mortgage (ARM) – when ARM Rate changes within the first 5 years; Interest-only loans; and, if the Front-End ratio is **below 30% or over 38%** the Back-End ratio is **over 45%**.

### Mortgage Credit Certificate

Qualified homebuyers with income not exceeding 140 percent of AMI may claim a federal income tax credit of either 15 percent or 20 percent of the annual interest paid on their mortgage for as long as they reside in the home. The resulting reduction in tax burden increases buyers' net earnings and helps them qualify for a mortgage. Homebuyers may have to repay the tax if they sell their residence within nine years. You may apply for a CalFHA Mortgage Certificate Credit through your lender.

### How to Apply:

The County of San Diego has partnered with the San Diego Housing Commission (SDHC) to administer the Downpayment and Closing Cost (DCCA) Program. To participate in the County of San Diego's DCCA program, you must first apply for and obtain a first trust deed loan approval through one of the mortgage lenders pre-approved by SDHC. A complete list of mortgage lenders pre-approved by SDHC at: [http://www.sdhc.org/uploadedFiles/Real\\_Estate/First\\_Time\\_Homebuyers/Lender%20List%2011.18.13.pdf](http://www.sdhc.org/uploadedFiles/Real_Estate/First_Time_Homebuyers/Lender%20List%2011.18.13.pdf)